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ORIGINAL

Decision No. 92609 JAN 21 1981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND)
ELECTRIC COMPANY and the CITY OF)
HEALDSBURG for an order)
authorizing former to sell and)
convey to the latter certain)
electric distribution facilities,)
in accordance with the terms of an)
agreement dated March 3, 1980.)

Application No. 59944
(Filed September 17, 1980)

(Electric)

O P I N I O N

This is an application in which Pacific Gas and Electric Company (PG&E) seeks authority to sell a portion of its electric distribution system to the city of Healdsburg (City).

The Commission makes the following findings and conclusions.

Findings of Fact

1. The application was filed on September 17, 1980. Notice of the filing appeared in the Commission's Daily Calendar. No protests to the application have been received.
2. A public hearing is not necessary in this matter.
3. Prior to 1978 the electric distribution facilities here under consideration were in an unincorporated area of Sonoma County in which PG&E furnished electric service.
4. City is, and for some time has been, the owner of an electric distribution system located within its corporate limits. City furnishes electric service to many of its residents and inhabitants. The facilities which PG&E proposes to convey are

located in an area which has been annexed to and has become a part of City. It desires to acquire the electric distribution facilities of PG&E here involved and incorporate them into its municipal electric distribution system. City intends, upon acquiring such properties, to continue furnishing the electric service now being supplied by these facilities.

5. City, by Ordinance Numbers 487 and 518 annexed the unincorporated areas known as "Solar Terrace Annexation No. 4 and Hassett Lane Annexation No. 4, respectively". The annexations were certified on December 12, 1978 and January 31, 1979, respectively, by the Sonoma County Local Agency Formation Commission.

6. For the twelve-month period ending March 31, 1980, PG&E supplied electric service from the facilities involved to approximately 10 domestic customers and 1 commercial customer and derived a gross annual revenue from these customers of \$2,600.00.

7. On March 3, 1980, PG&E and City entered into an agreement which was attached to the application as Exhibit B. The agreement provides for the sale of the facilities to City for \$3,791.00, adjusted to reflect: (a) the net value, as determined in accordance with the practice prescribed for electric utilities under the Uniform System of Accounts as established by the Federal Power Commission and its successors and as adopted by the California Public Utilities Commission, of the facilities and of any additions to and retirements from the facilities made within the Hassett Lane Annexation No. 4 and the Solar Terrace Annexation No. 4 by PG&E subsequent to March 12, 1979, and prior to the conveyance of the facilities to the City; (b) 15 percent of such net value plus any applicable tax; and (c) any severance costs that may be involved as a result of such additions and retirements. The current ad valorem taxes for the tax year in which the facilities and any additions are conveyed to the City will be prorated as of the date of conveyance.

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8. PG&E holds no credit or line extension deposits for customers involved in this transaction.

9. The furnishing of electric service to customers in the area in question by City at its effective rates and charges will not result in the charging or collecting of rates or charges in excess of those currently paid to PG&E.

10. The proposed transfer of the electric facilities here involved is reasonable and not adverse to the public interest.

Conclusion of Law

The application should be granted as hereinafter provided.

O R D E R

IT IS ORDERED that:

1. Within six months after the effective date of this order Pacific Gas and Electric Company (PG&E) may sell and transfer to the city of Healdsburg the electric distribution facilities set forth in the agreement executed between the parties on March 3, 1980 in accordance with the terms of that agreement, which is attached to the application as Exhibit B.

2. Within ten days of the actual transfer, PG&E shall notify the Commission, in writing, of the date on which the transfer was consummated.

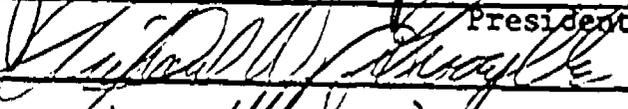
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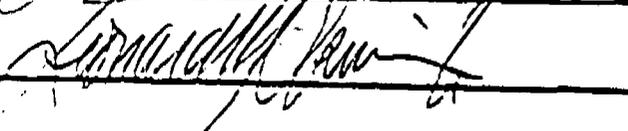
3. Within ninety days after the effective date of this order, PG&E shall advise the Commission's Revenue Requirements Division, in writing, of the adjustments for additions and betterments made in accordance with Exhibits B and D attached to the application.

The effective date of this order shall be thirty days after the date hereof.

Dated JAN 21 1981, at San Francisco, California.



President




Commissioners